

Before the Federal Communications Commission

In re the Matter of:)	CC Docket No. 02-6
)	
Request for Review of Decision of the)	REQUEST FOR REVIEW
)	
Universal Service Administrator by the State)	
)	
of Washington, Department of Information)	
)	
Services)	
)	
)	
)	
)	
)	

The State of Washington, Department of Information Services (“DIS”) appeals a funding commitment change decision by the Schools and Libraries Division (the “SLD”) which reduces the funding provided for basic telecommunications services provided by DIS to schools districts, libraries and educational service districts in the state of Washington. DIS respectfully requests that the SLD restore its funding.

DIS is a state agency which provides telecommunications and technology services to state and local government agencies in the state of Washington. DIS’ services include local and long distance telephone services provided to school districts and libraries around the state. Each year, DIS files a consortium application for Universal Service Support (“E-rate”) funding for these services.

DIS filed an application for Funding Year 7 and received a Funding Commitment Decision letter (the “FCDL”), dated February 8, 2005, a copy of which is attached hereto as **Exhibit A**. Based

on the February 8, 2005 Funding Commitment Decision letter, DIS filed its Form 486, Receipt of Service Confirmation Form, on July 18, 2005, 160 days following the date of the FCDL.

The SLD then issued a Form 486 Notification Letter (the “Notification Letter”), dated July 27, 2005 and attached hereto as **Exhibit B**. In the Notification Letter, the SLD issued a funding commitment change which reduced DIS’ funding for Funding Year 7 based on DIS’ failure to file its Form 486 within 120 days of the date on the Funding Commitment Decision Letter.

Based on DIS’ application being 40 days late, the SLD adjusted the Start of Service Date for funding request numbers 1204519, 1205772, 1205884, 1205973, 1206012, 1206069, 1206142, and 1206191. The Start of Service Dates were changed from July 1, 2004 to March 20, 2005, resulting in a loss of eight months of funding, which amounts to a total funding reduction of \$349,684.94 for the entire application. The reduced dollar amount represents a loss of approximately 67 percent of the funds previously committed to DIS.

DIS is, for the purposes of the E-rate process, a consortium applicant comprised of eligible schools and libraries throughout the state. None of the E-rate funding that DIS receives covers the costs of processing and administering participation in the E-rate program. DIS is a pass-through entity for E-Rate purposes and applies for funding only because individual schools and libraries that receive its services cannot themselves apply for services received from DIS, which is not a common carrier. Therefore, denial of DIS’ appeal will result in no harm to DIS, but will cause injury to each of the schools and library members of the consortium whose only opportunity for E-rate funding on these services comes through this application. In order to restore the funding for these detached and innocent parties, DIS requests that the SLD use the

original Service Start Dates contained in the FCDL and restore the funding originally committed in the FCDL.

In the alternative, if the SLD finds that it is unable to use the original Service Start Dates and restore the original committed funding levels, DIS would like to propose an alternative revision of the Service Start Date that would result in a smaller funding reduction. A more appropriate and equitable penalty would be to penalize DIS for 40 days of funding, the amount of time that the Form 486 was late, rather than for eight months. DIS would like to propose an alternate Service Start Date of August 10, 2005 with the corresponding funding levels adjusted to reflect the August start date.

Further discussion and future communications regarding this appeal may be directed to:

Abraham L. Rocha, Contracts Attorney
Washington State Department of Information Services
PO Box 42445
Olympia, WA 98504-2445
Phone: (360) 725-4242
Facsimile: (360) 664-0711
Email: Abrahamr@dis.wa.gov

Dated this 8th day of December, 2005



Michael D. McVicker
Assistant Director
Department of Information
Services



Exhibit A

Universal Service Administrative Company
Schools & Libraries Division

FUNDING COMMITMENT DECISION LETTER

(Funding Year 2004: 07/01/2004 - 06/30/2005) Y7

February 8, 2005

FEB 11 2005

Terrie Jones
WASHINGTON STATE DEPARTMENT OF INFORMATION SERVICES
512 12TH AVENUE SE
OLYMPIA, WA 98504

Re: Form 471 Application Number: 406070
Funding Year 2004: 07/01/2004 - 06/30/2005
Billed Entity Number: 146724
Applicant's Form Identifier: WA State DIS LTS-LDS

Thank you for your Funding Year 2004 E-rate application and for any assistance you provided throughout our review. Here is the current status of the funding request(s) featured in the Funding Commitment Report at the end of this letter.

- The amount, \$524,527.41 is "Approved."

Please refer to the Funding Commitment Report on the page following this letter for specific funding request decisions and explanations.

The Important Reminders and Deadlines immediately preceding this letter are provided to assist you throughout the application process.

NEXT STEPS

- Review technology planning approval requirements
- Review CIPA Requirements
- File Form 486
- Invoice the SLD using the Form 474 (service providers) or Form 472 (Billed Entity)

FUNDING COMMITMENT REPORT

On the pages following this letter, we have provided a Funding Commitment Report for the Form 471 application cited above. The enclosed report includes a list of the Funding Request Number(s) (FRNs) from your application. The SLD is also sending this information to your service provider(s) so preparations can be made to begin implementing your E-rate discount(s) after you file your Form 486. Immediately preceding the Funding Commitment Report, you will find a guide that provides a definition for each line of the Report.

TO APPEAL THIS DECISION:

If you wish to appeal the decision indicated in this letter, your appeal must be received by the SLD or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and e-mail address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify which Funding Commitment Decision(s) you are appealing. Indicate the relevant funding year and the date of the FCDL. Your letter of appeal must also include the Billed Entity Name, the

Form 471 Application Number, and the Billed Entity Number from the top of your letter.

3. When explaining your appeal, copy the language or text from the Funding Commitment Report that is at the heart of your appeal, to allow the SLD to more readily understand your appeal and respond appropriately. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep copies of your correspondence and documentation.
4. Provide an authorized signature on your letter of appeal.

If you are submitting your appeal on paper, please send your appeal to: Letter of Appeal, Schools and Libraries Division, Box 125 - Correspondence Unit, 80 South Jefferson Road, Whippany, NJ 07981. Additional options for filing an appeal can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site or by contacting the Client Service Bureau. We encourage the use of either the e-mail or fax filing options.

While we encourage you to resolve your appeal with the SLD first, you have the option of filing an appeal directly with the Federal Communications Commission (FCC). You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received by the FCC or postmarked within 60 days of the above date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, sent to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site or by contacting the Client Service Bureau. We strongly recommend that you use either the e-mail or fax filing options.

NOTICE ON RULES AND FUNDS AVAILABILITY

Applicants' receipt of funding commitments is contingent on their compliance with all statutory, regulatory, and procedural requirements of the Schools and Libraries Universal Service Support Mechanism. Applicants who have received funding commitments continue to be subject to audits and other reviews that USAC and/or the FCC may undertake periodically to assure that funds that have been committed are being used in accordance with all such requirements. The SLD may be required to reduce or cancel funding commitments that were not issued in accordance with such requirements, whether due to action or inaction, including but not limited to that by the SLD, the applicant, or the service provider. The SLD, and other appropriate authorities (including but not limited to USAC and the FCC), may pursue enforcement actions and other means of recourse to collect erroneously disbursed funds. The timing of payment of invoices may also be affected by the availability of funds based on the amount of funds collected from contributing telecommunications companies.

Schools and Libraries Division
Universal Service Administrative Company

A GUIDE TO THE FUNDING COMMITMENT REPORT

A report for each E-rate funding request from your application is attached to this letter. We are providing the following definitions for the items in that report.

FORM 471 APPLICATION NUMBER: The unique identifier assigned to a Form 471 application by the SLD.

FUNDING REQUEST NUMBER (FRN): A Funding Request Number is assigned by the SLD to each Block 5 of your Form 471 once an application has been processed. This number is used to report to applicants and service providers the status of individual funding requests submitted on a Form 471.

FUNDING STATUS: Each FRN will have one of the following definitions:

1. An FRN that is "Funded" is approved at the level that the SLD determined is appropriate for this FRN. The funding level will generally be the level requested unless the SLD determines during the application review process that some adjustment is appropriate.
2. An FRN that is "Not Funded" is one for which no funds were committed. The reason for the decision will be briefly explained in the "Funding Commitment Decision Explanation." An FRN may be "Not Funded" because the request does not comply with program rules, or because the total amount of funding available for this Funding Year was insufficient to fund all requests.
3. An FRN that is "As Yet Unfunded" reflects a temporary status that is assigned to an FRN when the SLD is uncertain at the time the letter is generated whether there will be sufficient funds to make commitments for requests for Internal Connections at a particular discount level. For example, if your application included requests for discounts on both Telecommunications Services and Internal Connections, you might receive a letter with funding commitments for your Telecommunications Services funding requests and a message that your Internal Connections requests are "As Yet Unfunded." You would receive one or more subsequent letters regarding the funding decision on your Internal Connections requests.

SERVICES ORDERED: The type of service ordered from the service provider, as shown on your Form 471.

SPIN (Service Provider Identification Number): A unique number assigned by the Universal Service Administrative Company to service providers seeking payment from the Universal Service Fund for participating in the universal service support mechanisms. A SPIN is also used to verify delivery of services and to arrange for payment.

SERVICE PROVIDER NAME: The legal name of the service provider.

CONTRACT NUMBER: The number of the contract between the eligible party and the service provider. This will be present only if a contract number was provided on your Form 471.

BILLING ACCOUNT NUMBER: The account number that your service provider has established with you for billing purposes. This will be present only if a Billing Account Number was provided on your Form 471.

SERVICE START DATE: The date services were reported to start for this FRN on your Form 471.

CONTRACT EXPIRATION DATE: The date the contract expires. This will be present only if a contract expiration date was provided on your Form 471.

SITE IDENTIFIER: The Entity Number listed in Form 471, Block 5, Item 22a. This will be present only for "site specific" FRNs.

ANNUAL PRE-DISCOUNT AMOUNT FOR ELIGIBLE RECURRING CHARGES: Eligible monthly pre-discount amount approved for recurring charges multiplied by number of months of recurring service approved for the funding year.

ANNUAL PRE-DISCOUNT AMOUNT FOR ELIGIBLE NON-RECURRING CHARGES: Annual eligible non-recurring charges approved for the funding year.

PRE-DISCOUNT AMOUNT: Amount in Form 471, Block 5, Item 23I, as determined through the application review process.

DISCOUNT PERCENTAGE APPROVED BY THE SLD: The discount rate that the SLD has approved for this service.

FUNDING COMMITMENT DECISION: This represents the total amount of funding that the SLD has reserved to reimburse your service provider for the approved discounts for this service for this funding year. It is important that you and your service provider both recognize that the SLD should be invoiced and the SLD may direct disbursement of discounts only for eligible, approved services actually rendered.

FUNDING COMMITMENT DECISION EXPLANATION: This entry provides an explanation of the amount in the "Funding Commitment Decision."

FUNDING COMMITMENT REPORT

Form 471 Application Number: 406070
Funding Request Number: 1204519 Funding Status: Funded
Services Ordered: Telecommunications Service
SPIN: 143005231 Service Provider Name: Qwest Corporation
Contract Number: T89-OTH-034-L
Billing Account Number: 360-753-5000
Service Start Date: 07/01/2004
Contract Expiration Date: 06/24/2005
Annual Pre-discount Amount for Eligible Recurring Charges: \$478,932.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$478,932.00
Discount Percentage Approved by the SLD: 61%
Funding Commitment Decision: \$292,148.52 - FRN approved as submitted

Funding Request Number: 1205772 Funding Status: Funded
Services Ordered: Telecommunications Service
SPIN: 143004786 Service Provider Name: Verizon Northwest Inc.
Contract Number: T94-PUR-004
Billing Account Number: 998-900-1013
Service Start Date: 07/01/2004
Contract Expiration Date: 03/31/2009
Annual Pre-discount Amount for Eligible Recurring Charges: \$45,300.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$45,300.00
Discount Percentage Approved by the SLD: 61%
Funding Commitment Decision: \$27,633.00 - FRN approved as submitted

Funding Request Number: 1205884 Funding Status: Funded
Services Ordered: Telecommunications Service
SPIN: 143005231 Service Provider Name: Qwest Corporation
Contract Number: T
Billing Account Number: 202-0001
Service Start Date: 07/01/2004
Contract Expiration Date: 06/30/2005
Annual Pre-discount Amount for Eligible Recurring Charges: \$127,980.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$127,980.00
Discount Percentage Approved by the SLD: 61%
Funding Commitment Decision: \$78,067.80 - FRN approved as submitted

Funding Request Number: 1205973 Funding Status: Funded
Services Ordered: Telecommunications Service
SPIN: 143001192 Service Provider Name: AT&T Corp.
Contract Number: T02-TSD-326
Billing Account Number: 1800-006-0428
Service Start Date: 07/01/2004
Contract Expiration Date: 06/30/2009
Annual Pre-discount Amount for Eligible Recurring Charges: \$111,000.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$111,000.00
Discount Percentage Approved by the SLD: 61%
Funding Commitment Decision: \$67,710.00 - FRN approved as submitted

FUNDING COMMITMENT REPORT

Form 471 Application Number: 406070
Funding Request Number: 1206012 Funding Status: Funded
Services Ordered: Telecommunications Service
SPIN: 143004786 Service Provider Name: Verizon Northwest Inc.
Contract Number: T
Billing Account Number: 998-900-1132
Service Start Date: 07/01/2004
Contract Expiration Date: 06/30/2005
Annual Pre-discount Amount for Eligible Recurring Charges: \$36,648.00 ✓
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$36,648.00
Discount Percentage Approved by the SLD: 61%
Funding Commitment Decision: \$22,355.28 - FRN approved as submitted

Funding Request Number: 1206069 Funding Status: Funded
Services Ordered: Telecommunications Service
SPIN: 143001192 Service Provider Name: AT&T Corp. ✓
Contract Number: T02-TSD-326
Billing Account Number: 506-908-8165-002
Service Start Date: 07/01/2004
Contract Expiration Date: 06/30/2009
Annual Pre-discount Amount for Eligible Recurring Charges: \$31,416.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$31,416.00
Discount Percentage Approved by the SLD: 61%
Funding Commitment Decision: \$19,163.76 - FRN approved as submitted

Funding Request Number: 1206142 Funding Status: Funded
Services Ordered: Telecommunications Service
SPIN: 143005231 Service Provider Name: Qwest Corporation ✓
Contract Number: T02-TSD-312
Billing Account Number: 202-0142
Service Start Date: 07/01/2004
Contract Expiration Date: 06/30/2007
Annual Pre-discount Amount for Eligible Recurring Charges: \$19,428.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$19,428.00
Discount Percentage Approved by the SLD: 61%
Funding Commitment Decision: \$11,851.08 - FRN approved as submitted

Funding Request Number: 1206191 Funding Status: Funded
Services Ordered: Telecommunications Service
SPIN: 143005231 Service Provider Name: Qwest Corporation ✓
Contract Number: T96-PUR-004
Billing Account Number: WA-BVMS-1000
Service Start Date: 07/01/2004
Contract Expiration Date: 06/26/2006
Annual Pre-discount Amount for Eligible Recurring Charges: \$9,177.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$9,177.00
Discount Percentage Approved by the SLD: 61%
Funding Commitment Decision: \$5,597.97 - FRN approved as submitted

FUNDING COMMITMENT REPORT

Form 471 Application Number: 406070
Funding Request Number: 1206255 Funding Status: Not Funded
Services Ordered: Telecommunications Service
SPIN: 143001192 Service Provider Name: AT&T Corp.
Contract Number: T02-TSD-318
Billing Account Number: N/A
Service Start Date: 07/01/2004
Contract Expiration Date: 06/30/2005
Annual Pre-discount Amount for Eligible Recurring Charges: \$2,280.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$2,280.00
Discount Percentage Approved by the SLD: N/A
Funding Commitment Decision: \$0.00 - Applicant request
Funding Commitment Decision Explanation: FRN canceled in consultation with the applicant.

IMPORTANT REMINDERS & DEADLINES

Date: February 8, 2005
471 : 406070
BEN : 146724

The following information is provided to assist you throughout the application process. We recommend that you keep it in an easily accessible location and that you share it with the appropriate members of your organization.

* **FORM 486 DEADLINE** - The Form 486 must be postmarked no later than 120 days after the Service Start Date you report on the Form 486 or no later than 120 days after the date of the Funding Commitment Decision Letter, whichever is later. If you are required to have a Technology Plan, that plan must be approved by the start of service for this funding year, you must indicate the SLD Certified Technology Approver who approved your plan and you must retain your approval letter and documentation of your monitoring of the progress toward your stated goals.

CHILDREN'S INTERNET PROTECTION ACT (CIPA) - You must be in compliance with CIPA and cannot request a waiver, if FY2004 is your Third Funding Year for the purposes of CIPA.

INVOICE DEADLINE - Invoices must be postmarked no later than 120 days after the last date to receive service - including extensions - or 120 days after the date of the Form 486 Notification Letter, whichever is later. Invoices should not be submitted until the invoiced products and services have been delivered and billed, and (for BEAR Forms) the provider has been paid.

OBLIGATION TO PAY NON-DISCOUNT PORTION - Applicants are required to pay the non-discount portion of the cost of the products and/or services. Service providers are required to bill applicants for the non-discount portion. The FCC has stated that requiring applicants to pay their share ensures efficiency and accountability in the program. If you are using a trade-in as part of your non-discount portion, please refer to the SLD web site.

RETAIN DOCUMENTATION - Applicants must retain documentation, including but not limited to, documents showing:

- compliance with all applicable competitive bidding requirements,
- products and/or services delivered (e.g., customer bills detailing make, model and serial number),
- resources necessary to make effective use of E-rate discounts, including the purchase of equipment such as workstations not eligible for support,
- the specific location of each item of E-rate funded equipment, and
- the applicant has paid the non-discount portion.

These documents must be retained and available for review for 5 years.

SUSPENSION AND DEBARMENT - Persons who have been convicted of criminal violations or held civilly liable for certain acts arising from their participation in the Schools and Libraries Support Mechanism are subject to suspension and debarment from the program.

FREE SERVICES ADVISORY - Applicants and service providers are prohibited from using the Schools and Libraries Support Mechanism to subsidize the procurement of ineligible or unrequested products and services, or from participating in arrangements that have the effect of providing a discount level to applicants greater than that to which applicants are entitled.

Complete program information - including more information on these reminders - is posted to the Schools and Libraries Division (SLD) web site at www.sl.universalservice.org. You may also contact the SLD Client Service Bureau by e-mail using the "Submit a Question" link on the SLD web site, by fax at 1-888-276-8736 or by phone at 1-888-203-8100.

* SERVICE START DATE IS 7-1-04 + 120 DAYS = 10-28-04
* FCOL DATE IS 2-8-05 + 120 DAYS = 6-8-05

Exhibit B**USAC****Universal Service Administrative Company**
Schools & Libraries Division

FORM 486 NOTIFICATION LETTER
(Funding Year 2004: 07/01/2004 - 06/30/2005)

July 27, 2005

WASHINGTON STATE DEPARTMENT OF INFORMATION SERVICES
TERRIE JONES
512 12TH AVENUE SE
OLYMPIA, WA 98504-2445**Re: Form 486 Application Number: 304559**
Applicant's Form 486 Identifier: WASTLTSLDS

This letter is to notify you that the Schools and Libraries Division (SLD) has received and accepted an FCC Form 486, Receipt of Service Confirmation Form, from you. This notification is to confirm the information that you provided. This information is being shared with the service provider whose SPIN you identified on the affected Funding Request Number(s) (FRN).

NEXT STEPS

- Work with your service provider to establish discounts (SPI) or reimbursements (BEAR)
- Invoice the SLD -
 - applicant invoice is BEAR Form for reimbursements
 - service provider invoice is SPI Form for discounts
- Pay non-discount portion, as stated in program rules
- Maintain ALL documentation, as stated in program rules

You may be receiving this letter to revise or correct a previous Form 486 Notification Letter. The information contained in this letter supersedes any previous notification you may have received, including, but not limited to, a previously adjusted Service Start Date or previously reduced funding commitment.

NOTICE ON SERVICE START DATE

There may be some situations where one or more Service Start Dates as reflected on this letter have been changed from what you indicated on the Form 486. Such changes are made by the SLD to be in compliance with program rules. You will know that a change has been made if there is an asterisk next to the Service Start Date. If the SLD changed the Service Start Date, this change may have triggered a reduction in the funding commitment. It is important that you and the service provider both recognize that the SLD should be invoiced and the SLD may direct disbursement of the discounts only on eligible, approved products and/or services actually delivered and installed on or after the Service Start Date indicated on this letter.

IMPORTANT REMINDERS & DEADLINES

Date: July 27, 2005
Form 486 App No: 304559
Form 486 App ID: WASTLTSLDS

JUL 28 2005

The following information is provided to assist you throughout the application process. We recommend that you keep it in an easily accessible location and that you share it with the appropriate members of your organization.

PROGRAM COMPLIANCE - Although this Form 486 has been fully data entered, the SLD will continue to review the compliance status of this Form 486, of each entity represented, and of each FRN listed. If the SLD discovers that the reported CIPA compliance status for an entity is not valid or that a required technology plan has not been approved by an SLD certified Technology Plan Approver, invoices featuring the affected FRNs will not be processed. Please refer to the SLD web site for complete information.

FORM 473 - Invoices received by the SLD will not be paid unless the SLD has an FCC Form 473, Service Provider Annual Certification (SPAC), on file for the funding year associated with the invoice.

INVOICE DEADLINE - Invoices must be postmarked no later than 120 days after the last date to receive service, including extensions - or 120 days after the date of the Form 486 Notification Letter, whichever is later. Invoices should not be submitted until the invoiced products and/or services have been delivered and billed, and (for BEAR Forms) the provider has been paid. Once established, the selected invoicing method - Forms 474 (SPIs) or Forms 472 (BEARs) - must be used for the entire funding year.

REVIEW OF INVOICES FOR COMPLIANCE WITH PROGRAM RULES - Once an invoice is in the SLD system, it is reviewed - electronically and, in some cases, manually - for compliance with program rules. This review may include requests from our Program Integrity Assurance team to provide information in support of the invoice. Processing of invoices can take up to 90 days, although usually less.

OBLIGATION TO PAY NON-DISCOUNT PORTION - Applicants are required to pay the non-discount portion of the cost of the products and/or services. Service providers are required to bill applicants for the non-discount portion. The FCC has stated that requiring applicants to pay their share ensures efficiency and accountability in the program. If you are using a trade-in as part of your non-discount portion, please refer to the SLD web site.

"FREE" INELIGIBLE SERVICES - Applicants and service providers are prohibited from using approved discounts to subsidize ineligible or unrequested products and services. Please see the "Free Services Advisory" posted in the Reference Area of the SLD web site.

RETAIN DOCUMENTATION - Applicants and service providers must retain documentation including, but not limited to, documents showing:

- compliance with all applicable competitive bidding requirements,
- products and/or services delivered (e.g., customer bills detailing make, model and serial number),
- resources necessary to make effective use of E-rate discounts, including the purchase of equipment such as workstations not eligible for support,
- the specific location of each item of E-rate funded equipment, and
- the applicant has paid the non-discount portion.

These documents must be retained and available for review for five years.

Complete program information is posted to the Schools and Libraries Division (SLD) web site at www.sl.universalservice.org. Information is also available by contacting the SLD Client Service Bureau by e-mail at question@universalservice.org, by fax at 1-888-276-8736, or by phone at 1-888-203-8100.

TO APPEAL THE SERVICE START DATE/FUNDING COMMITMENT CHANGE DECISION

If you wish to appeal the Service Start Date change(s) and/or funding commitment adjustment(s) indicated in this letter, your appeal must be POSTMARKED within 60 days of the above date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and e-mail address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify which FRN Service Start Date change or Funding Commitment adjustment you are appealing. Indicate the relevant funding year and the date of this Form 486 Notification Letter. Your letter of appeal must also include the relevant Funding Request Number(s), the Billed Entity Name, the Form 471 Application Number, and the Billed Entity Number from your Form 486
3. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep copies of your correspondence and documentation.
4. Provide an authorized signature on your letter of appeal.

If you are submitting your appeal on paper, please send your appeal to: Letter of Appeal, Schools and Libraries Division, Box 125 - Correspondence Unit, 80 South Jefferson Road, Whippany, NJ 07981. Additional options for filing an appeal can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site or by contacting the Client Service Bureau. We encourage the use of either the e-mail or fax filing options.

While we encourage you to resolve your appeal with the SLD first, you have the option of filing an appeal directly with the Federal Communications Commission (FCC). You should refer to CC Docket No. 02-5 on the first page of your appeal to the FCC. Your appeal must be POSTMARKED within 60 days of the above date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site or by contacting the Client Service Bureau. We strongly recommend that you use either the e-mail or fax filing options.

NOTICE ON RULES AND FUNDS AVAILABILITY

Applicants' receipt of funding commitments is contingent on their compliance with all statutory, regulatory, and procedural requirements of the Schools and Libraries Universal Service Support Mechanism. Applicants who have received funding commitments continue to be subject to audits and other reviews that the SLD and/or the FCC may undertake periodically to assure that funds that have been committed are being used in accordance with all such requirements. The SLD may be required to reduce or cancel funding commitments that were not issued in accordance with such requirements, whether due to action or inaction, including but not limited to that by the SLD, the applicant, or the service provider. The SLD, and other appropriate authorities (including but not limited to USAC and the FCC), may pursue enforcement actions and other means of recourse to collect erroneously disbursed funds. The timing of payment of invoices may also be affected by the availability of funds based on the amount of funds collected from contributing telecommunications companies.

A GUIDE TO THE FORM 486 NOTIFICATION LETTER FUNDING COMMITMENT REPORT

A report for each FRN for which you have notified us of a Service Start Date is attached to this letter. We are providing the following definitions for the items in that report

Funding Request Number (FRN): A Funding Request Number is assigned by the SLD to each Block 5 of your Form 471 once an application has been processed. This number is used to report to applicants and service providers the status of individual discount funding requests submitted on a Form 471.

Form 471 Application Number: A unique identifier assigned to a Form 471 application by the SLD.

Service Provider Name: The name of the service provider that you identified as providing the service included in this FRN.

Service Provider Identification Number: The unique number assigned by USAC to the service provider you identified as providing the service included in this FRN.

Billing Account Number: The account number that you have established with your service provider for billing purposes. This will be present only if a Billing Account Number was provided on the Form 471.

Service Start Date: The Service Start Date (SSD) as indicated on the Form 486. If this date is marked with an asterisk, it was changed by the SLD to be in compliance with program rules and an explanation for the change has been provided. This date as shown is controlling and USAC will not reimburse discounts on products and/or services delivered or installed prior to this date.

Service Start Date Change Explanation (SHOWN ONLY IF RELEVANT): If the Service Start Date is marked with an asterisk, this field will explain why the SLD changed the date. One of the following explanations may appear:

AVSCD: The Service Start Date may not be before the Allowable Vendor Selection/Contract Date (AVSCD) from the Form 470 cited for this FRN on the Form 471. If you indicated an earlier SSD on the Form 486, the SLD changed the SSD to the AVSCD.

120-DAY 486 DEADLINE: Forms 486 must be postmarked no later than 120 days after the start of services or no later than 120 days after the date of the FCDL, whichever is later. If the Form 486 is postmarked after the later of those two dates, the SLD changed the SSD to the date 120 days before the Form 486 postmark date. That date will become the start date for discounted services. You are advised to keep proof of the date of mailing of your form(s).

Adjusted Funding Commitment (SHOWN ONLY IF RELEVANT): If the SLD changed the Service Start Date, this change may have triggered a reduction in the funding commitment. This field will only appear if there is a reduction to the funding commitment amount.

FORM 486 NOTIFICATION LETTER
FUNDING COMMITMENT REPORT
(Funding Year 2004)

Funding Request Number: 1204519 ✓
Form 471 Application Number: 406070
Service Provider Name: Qwest Corporation
Service Provider Identification Number: 143005231
Billing Account Number: 360-753-5000
Service Start Date: 03/20/2005*
Service Start Date Change Explanation: 120-DAY 486 DEADLINE
Adjusted Funding Commitment: \$97,382.84 →

Funding Request Number: 1205772 ✓
Form 471 Application Number: 406070
Service Provider Name: Verizon Northwest Inc.
Service Provider Identification Number: 143004786
Billing Account Number: 998-900-1013
Service Start Date: 03/20/2005*
Service Start Date Change Explanation: 120-DAY 486 DEADLINE
Adjusted Funding Commitment: \$9,211.00

Funding Request Number: 1205884 ✓
Form 471 Application Number: 406070
Service Provider Name: Qwest Corporation
Service Provider Identification Number: 143005231
Billing Account Number: 202-0001
Service Start Date: 03/20/2005*
Service Start Date Change Explanation: 120-DAY 486 DEADLINE
Adjusted Funding Commitment: \$26,022.60

O.C

Funding Request Number: 1205973 ✓
Form 471 Application Number: 406070
Service Provider Name: AT&T Corp.
Service Provider Identification Number: 143001192
Billing Account Number: 1800-006-0428
Service Start Date: 03/20/2005*
Service Start Date Change Explanation: 120-DAY 486 DEADLINE
Adjusted Funding Commitment: \$22,570.00

Funding Request Number: 1206012 ✓
Form 471 Application Number: 406070
Service Provider Name: Verizon Northwest Inc.
Service Provider Identification Number: 143004786
Billing Account Number: 998-900-1132
Service Start Date: 03/20/2005*
Service Start Date Change Explanation: 120-DAY 486 DEADLINE
Adjusted Funding Commitment: \$7,451.76

O.C

FORM 486 NOTIFICATION LETTER
FUNDING COMMITMENT REPORT
(Funding Year 2004)

O.C

Funding Request Number: 1206069 ✓
Form 471 Application Number: 406070
Service Provider Name: AT&T Corp.
Service Provider Identification Number: 143001192
Billing Account Number: 506-908-8165-002
Service Start Date: 03/20/2005*
Service Start Date Change Explanation: 120-DAY 486 DEADLINE
Adjusted Funding Commitment: \$6,387.92

Funding Request Number: 1206142 ✓
Form 471 Application Number: 406070
Service Provider Name: Qwest Corporation
Service Provider Identification Number: 143005231
Billing Account Number: 202-0142
Service Start Date: 03/20/2005*
Service Start Date Change Explanation: 120-DAY 486 DEADLINE
Adjusted Funding Commitment: \$3,950.36

Funding Request Number: 1206191 ✓
Form 471 Application Number: 406070
Service Provider Name: Qwest Corporation
Service Provider Identification Number: 143005231
Billing Account Number: WA-BVMS-1000
Service Start Date: 03/20/2005*
Service Start Date Change Explanation: 120-DAY 486 DEADLINE
Adjusted Funding Commitment: \$1,865.99

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